

Message Text

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PAGE 01 STATE 140962
ORIGIN NEA-11

INFO OCT-01 ISO-00 /012 R

66011

DRAFTED BY:NEA/RA:DTMORRISON

APPROVED BY:NEA/RA:WBDOZIER

NEA/AFN:ABERGSTROM

-----065959 031125Z /15

R 030210Z JUN 78

FM SECSTATE WASHDC

TO AMEMBASSY TRIPOLI

UNCLAS STATE 140962

DECLASSIFY UPON RECEIPT

FOLLOWING REPEAT ROME 6911 ACTION SECSTATE INFO TREAS
DEPT AND USDOC DATED APRIL 13, 1978.

QUOTE: UNCLAS ROME 6911

E.O. 11652: N/A

TAGS: ETRD, IT, LY

SUBJECT: ARAB BOYCOTT--STEEL FOR LIBYA

1. SUMMARY: EMBASSY HAS BEEN VISITED BY OFFICER OF ARMCO
FINSIDER STEEL CO., A FIFTY PERCENT AMERICAN, FIFTY PERCENT ITALIAN
COMPANY ORGANIZED IN ITALY. HAVING SOLD APPROX 750 METRIC TONS
STEEL PRODUCT TO LIBYA THEY HAVE NOW BEEN REQUESTED ON
LETTER OF CREDIT TO FURNISH NEGATIVE CERTIFICATE OF ORIGIN.
ARMCO OFFICIALS IN OHIO HOME OFFICE HAVE DECLARED TERMS UNACCEP-
TABLE. IF IMPOSSIBLE TO HAVE TERMS WITHDRAWN, THEN SALE WOULD
HAVE TO BE REFUSED. FINSIDER, ALREADY IN SOMEWHAT DIFFICULT
POSITION, BALKS AT LOSING DOLS FOUR HUNDRED THOUSAND SALE.
END SUMMARY.

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2. TWO ITALIAN OFFICIALS OF ARMCO FINSIDER STEEL COMPANY,
ROME-BASED ITALIAN AMERICAN JOINTLY OWNED COMPANY, HAVE VISITED
EMBASSY TO DISCUSS ARAB BOYCOTT ROBLEM REGARDING LIBYA. HAVING
ALREADY SECURED ORDER FOR ABOUT 750 TONS STEEL HIGHWAY GUARDRAIL
WORTH DOLS FOUR HUNDRED THOUSAND, THEY HAVE NOW BEEN CONFRONTED
WITH A LETTER OF CREDIT WHICH REQUIRES NEGATIVE CERTIFICATE OF
ORIGIN. L/C IS DRAW ON SAHARA BANK IN BENGHAZI.

3. ARMCO FINSIDER IF FIFTY PERCENT ITALIAN-AND FIFTY PERCENT AMERICAN-OWNED. THREE ITALIANS AND THREE AMERICANS SIT ON BOARD OF DIRECTORS. ITALIAN DIRECTOR GENERAL VOTES IN CASES OF TIE VOTES. FINSIDER PARENT IS MAJOR FINANCIAL HOLDING COMPANY IN IRON AND STEEL SECTOR. COMMENT; CONTROL APPEARS TO REST WITH ITALIAN INTERESTS. END COMMENT.

4. LOCAL OFFICIALS HAVE SOUGHTADVICE OF ARMCO OFFICIALS IN MIDDLETOWN OHIO REGARDING THIS PROBLEM. ARMCO HAS SAID THAT TERMS ARE UNACCEPTABLE AND THAT ORDER MUST BE REFUSED. FURTHER, THEY HAVE SUGGESTED ISSUANCE OF NEW LETTER OF CREDIT WITHOUT SUCH TERMS. LIBYANS HAVE REFUSED. LOCALITALIAN OFFICIAL, IN SERIOUS PREDICAMENT, HAS COME TO EMBASSY IN GOOD FAITH, FULLY AWARE THAT HIS VISIT IS TANTAMOUNT TO OFFICIAL NOTIFICATION OF CASE. HE IS ALSO AWARE THAT FINSIDER, IN POSITION SIMILAR TO MANY STEELWORKS IN WESTERN WORLD, WILL NOT TAKE LIGHTLY THE CANCELLATION OF AN ORDER NOT EASILY SECURED. FURTHERMORE, THEY ARE CURRENTLY NEGOTIATING WITH SYRIA FOR A MUCH LARGER ORDER AND FEAR A SIMILAR RESULT.

5. ACTION REQUESTED: PLEASE ADVISE EMBASSY SOONEST WHAT, IF ANY, EXTENUATING CIRCUMSTANCES OF OWNERSHIP OR EXEPTIONS MIGHT APPLY TO ARMCO FINSIDER IN THIS INSTANCE. NOTE THAT WE HAVE A COPY OF LETTER OF CREDIT DOCUMENT AND WILL FORWARD IT IF USEFUL TO YOU.GARDNER UNQUOTE CHRISTOPHER
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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
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